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## **STATE COUNCIL BULLETIN**

No 25, 10 Oct; No 26, 20 Oct 1986

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CHINA

STATE COUNCIL BULLETIN

No 25, 10 Oct; No 26, 20 Oct 1986

[Translation of the tables of contents and selected items from ZHONGHUA RENMIN GONGHEGUO GUOWUYUAN GONGBAO published in Beijing.]

CONTENTS

Issue No 25

Provisional Regulations Governing Labor Contract System for State-Owned Enterprises (Promulgated by the State Council on 12 July 1986) [Text published in FBIS-CHI-86-186, 25 September 1986 P K1]	
Provisional Regulations Governing Hiring of Workers by State-Owned Enterprises (Promulgated by the State Council on 12 July 1986).....	1
Provisional Regulations Governing Dismissal of Delinquent Employees of State-Owned Enterprises (Promulgated by the State Council on 12 July 1986).....	4
Provisional Regulations Governing Insurance for Employees of State-Owned Enterprises Awaiting Employment (Promulgated by the State Council on 12 July 1986).....	6
Circular of State Council General Office on Doing a Good Job in Cotton Purchase in 1986 (25 August 1986) [Not translated]	
President Li Xiannian's Congratulatory Message to President Salih on the Occasion of the 30th Anniversary of the Establishment of Diplomatic Relations Between the PRC and the YAR (23 September 1986) [Text published in FBIS-CHI-86-185, 24 September 1986 p II]	

Issue No 26

Premier Zhao Ziyang's Toast at the Reception To Mark the 37th Anniversary of the Founding of the PRC (30 September 1986)  
[Text published in FBIS-CHI-86-190, 1 October 1986 p K 19]

State Council Provisions for the Encouragement of Foreign Investment (11 October 1986) [Text published in FBIS-CHI-86-199, 15 October 1986 p K 2]

PRC Provisional Regulations on Real Estate Tax (Promulgated by the State Council on 15 September 1986) [Not translated]

PRC Provisional Regulations on Vessel and Vehicle Tax (Promulgated by the State Council on 15 September 1986) [Not translated]

State Council Circular on Carrying out a General Inspection of Taxation Financial Affairs, and Prices in 1986 (3 October 1986) (Summary published in FBIS-CHI-86-194, 7 October 1986 p K 3)

Circular of State Council General Office on the Promulgation of Policies on 12 Technological Fields (24 May 1986) [Not translated]

Circular of the State Council General Office on the Circulation of the Views of the State Education Commission and Other Organizations on the Enforcement of the "Law on Compulsory Education" (11 September 1986) [Not translated].

Views of the State Education Commission, the State Planning Commission, the Ministry of Finance and the Ministry of Labor and Personnel on the Enforcement of the "Law on Compulsory Education" (26 June 1986)..... 11

Circular of the State Council General Office on the Circulation of the Views of the State Economic Commission, the State Planning Commission, and the State Bureau of Materials and Equipment on Stepping up the Management of Centrally Distributed Materials (9 September 1986) [Not translated]

Views of the State Economic Commission, the State Planning Commission, and the State Bureau of Materials and Equipment on Stepping up the Management of Centrally Distributed Materials (Summary) (2 August 1986).... 23

Circular of the Ministry of Finance on the Reduction of Profit Tax for Resident Representative Offices of Foreign Enterprises (6 October 1986) [Previously published in FBIS-CHI-86-199, 15 October 1986 p K 10]

Provisions of the Ministry of Finance on the Control of Account Books of Self-Employed Industrial and Commercial Operators (Promulgated on 25 August 1986) [ Not translated]

Circular of the Ministry of Finance on the Standard for Lump-Sum Pension for Personnel of Institutions Who Died in Line of Duty or of Illness (25 June 1986) [Not translated]

Circular of the State Education Commission and the Ministry of Labor and Personnel on the Employment of Graduates of Vocational Senior Middle Schools (27 June 1986) [Not translated]

Provisional Regulations of the State Administration for Industry and Commerce and the Ministry of Forestry on the Management of Lumber Markets in Collective Forest Areas (19 August 1986) ..... 26

State Council Approval of a Request by the Sichuan Provincial People's Government to Abolish Xichang County and Include It Into Xichang City (6 June 1986) [Not translated]

State Council Approval of a Request by the Xinjiang Uygur Autonomous Regional People's Government To Abolish Atushi County and Establish Atushi City (7 June 1986) [Not translated]

Appointments and Removals by the President of the PRC (1 and 28 August 1986) ..... 28

Appointments and Removals by the State Council (4 and 27 August and 4 September 1986) [Previously published in FBIS-CHI-86-181, 18 September 1986 p K 1]

## PROVISIONAL REGULATIONS ON HIRING BY STATE-OWNED ENTERPRISES

Beijing STATE COUNCIL BULLETIN in Chinese No 25, 10 Oct 86 pp 744-745

[Provisional Regulations Governing Hiring of Workers by State-Owned Enterprises  
(Promulgated by the State Council on 12 July 1986)]

### [Text] Chapter One. General Principles

Article 1. These regulations are specially formulated to facilitate reforms of the recruitment system of state-owned enterprises (hereinafter referred to as enterprises), to ensure the quality of recruitment, to improve the quality of workers, and to conform to the needs of developing the cause of socialist modernization.

Article 2. When an enterprise recruits workers, the number of such workers shall not exceed the quotas provided for under the state labor and wage plans. Such enterprise shall implement the principle of the provision of training before employment, gear to the needs of society, recruit through public selection and comprehensive examinations, and select for employment on the basis of the applicants' qualifications.

Article 3. When an enterprise recruits workers, it shall implement the labor contract system.

### Chapter Two. Gearing to Needs of Society, Conducting Open Recruitment

Article 4. When recruiting workers, an enterprise shall publish the general regulations of recruitment. Anyone who lives in the urban area, is awaiting employment, and meets the requirements of recruitment, or whose recruitment is under the provisions of the state regulations may apply to the enterprise for selection.

Article 5. When recruiting workers, an enterprise shall announce a list of workers who have passed the examination, and make their employment known to the public.

An enterprise may not recruit, in any form, staff from within, or continue to follow the practice of "having a retiring worker's children assuming his office."

**Chapter Three. Comprehensive Examination of Applicant's Virtue, Wisdom, and Health; Employment of the Best Applicant**

Article 6. On selection for employment, the basic requirements for workers are that they shall be 16 years of age and older and physically sound, have received education at and above junior secondary school level, and have good work performance.

Article 7. The recruitment examination of workers shall be comprehensive and be on their virtue, wisdom, and health. The contents and standards of the examination may be modified in accordance with the needs of production and work. For the recruitment of apprentices, the particular emphasis is on education; for the direct recruitment of technicians and workers, the particular emphasis is on the examination of professional knowledge and skills; and for the recruitment of strenuous laborers, the particular emphasis is on the examination of physical condition.

Article 8. When recruiting workers for a certain type of work in production, an enterprise shall employ female workers whenever possible.

Article 9. An enterprise shall decide on the terms of probation period for a worker. If such an enterprise finds, during the probation period, that a worker fails to meet the requirements for recruitment, it may terminate the labor contract and such worker shall be returned to his original locality.

**Chapter Four. Organization and Management**

Article 10. The recruitment of an enterprise shall be under the leadership of the local people's government and be supervised by the appropriate department in charge of labor and administration. The main functions of this department are: to examine and instruct the lower level about recruitment plans; to enforce policies on recruitment; to determine areas for recruitment; to examine the general regulations of recruitment; and to supervise and inspect the work of recruitment.

Article 11. When recruiting workers, an enterprise shall go through appropriate procedures with the local authorized department in charge of labor and administration, and shall conclude labor contracts in accordance with the "Provisional Regulations Governing the Implementation of Labor Contract System by State-Owned Enterprises."

Article 12. An enterprise shall recruit workers in the urban areas. Unless otherwise provided for under regulations of the state, an enterprise shall report to the people's government of the province, autonomous region, or municipality directly under the central government for approval to recruit workers in rural areas.

Article 13. An enterprise shall enforce implementation strictly according to these regulations. Any recruitment of workers which violates these regulations is null and void. If the case becomes serious, the persons concerned shall be held administratively responsible.

Chapter Five. Supplementary Rules

Article 14. When recruiting workers, a state organ, an institution, or a social organization shall act in accordance with these regulations.

Article 15. People's governments of the provinces, autonomous regions, and municipalities directly under the central government may formulate detailed rules for the implementation according to these regulations, and report the same to the Ministry of Labor and Personnel for the record.

Article 16. The Ministry of Labor and Personnel shall be responsible for the interpretation of these regulations.

Article 17. These regulations shall come into force on 1 October 1986.

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CSO: 4005/565

PROVISIONAL REGULATIONS ON DISMISSAL OF DELINQUENT EMPLOYEES

Beijing STATE COUNCIL BULLETIN in Chinese No 25, 10 Oct 86 pp 746-747

[Provisional Regulations Governing Dismissal of Delinquent Employees  
(Promulgated by the State Council on 12 July 1986)]

[Text] Article 1. These regulations are specially formulated in order to strengthen the labor discipline of state-owned enterprises (hereinafter referred to as enterprises), to improve the quality of workers and staff members, to add vitality to the enterprise, and to promote socialist construction.

Article 2. An enterprise may dismiss an employee who, despite education or disciplinary sanction, continues to act in one of the following manners:

- 1) Serious violation of labor discipline which affects the production and sequence of work;
- 2) Violation of rules of operation, damage of equipment and tools, and waste of raw materials and energy which develop economic losses;
- 3) Poor service attitude so that there are frequent disputes with customers and the interests of consumers are undermined;
- 4) Refusal of normal transfer;
- 5) Acts of corruption, theft, gambling, and malpractices the seriousness of which does not merit an imposition of criminal sanction;
- 6) Deliberate provocative acts and fighting which seriously disrupt the social order; and
- 7) Commitment of other serious mistakes.

The dismissal of an employee whose situation merits such act may be enforced in accordance with the "Regulations Concerning the Awards and Punishments of Enterprise Employees."

Article 3. When dismissing an employee, an enterprise shall obtain consent of the trade union of the enterprise, and report the dismissal to the enterprise's competent departments and the local labor and personnel department for the record.

Article 4. An enterprise shall give a certificate of dismissal to the employee in question. The dismissed employee may, upon the strength of such certificate, register for employment at the labor and personnel department of the locality where his household is registered.

The management and payment of relief funds to persons awaiting employment and medical allowance of a dismissed employee during the period of awaiting employment shall be handled in accordance with the "Provisional Regulations Concerning Insurance for Employees of State-owned Enterprises Awaiting Employment."

Article 5. If a dismissed employee refuses to accept the dismissal by an enterprise, he may, within 15 days after the receipt of the certificate of dismissal, appeal to the local arbitration council for labor disputes, whose members shall give an arbitration award. If he does not accept the arbitration award, he may file a suit in the local people's courts.

Article 6. Any dismissed employee who is deliberately provocative, engages in endless quarrels against the leadership, disturbs production and work, or undermines the social order shall be dealt with by the public security departments in accordance with the "Regulations Regarding Punishments of Public Order Supervision."

Article 7. People's governments of the provinces, autonomous regions, and municipalities directly under the central government may formulate detailed rules for implementation according to these regulations, and report the same to the Ministry of Labor and Personnel for the record.

Article 8. The Ministry of Labor and Personnel shall be responsible for the interpretation of these regulations.

Article 9. These regulations shall come into force on 1 October 1986.

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## PROVISIONAL RULES ON INSURANCE FOR EMPLOYEES AWAITING JOBS

Beijing STATE COUNCIL BULLETIN in Chinese No 25, 10 Oct 87 pp 746-747

[Provisional Regulations Concerning Insurance for Employees of State-Owned Enterprises Awaiting Employment (Promulgated by the State Council on 12 July 1986)]

### [Text] Chapter One. General Principles

Article 1. These regulations are specially formulated in order to conform to the need to reform the labor system, to promote rational mobilization of productive forces, and to ensure the basic needs of livelihood of employees of state-owned enterprises (hereinafter referred to as enterprises) during the period of awaiting employment.

Article 2. These regulations are applicable to the following categories:

- 1) Employees of an enterprise which has declared bankruptcy;
- 2) Employees who are dismissed during the period of legal consolidation of an enterprise which is on the brink of bankruptcy;
- 3) Workers whose labor contracts with enterprises have expired and terminated; and
- 4) Employees dismissed by enterprises.

### Chapter Two. The Raising and Management of Insurance Funds for Employees Awaiting Employment

Article 3. Sources of the insurance funds for employees awaiting employment are as follows:

- 1) Payment of such insurance funds equivalent to 1 percent of the total standard wages of an enterprise's employees (whose delivery shall be made before the income tax) by the enterprise;
- 2) Interest paid by the bank as provided for under regulations of the state on deposits of such insurance funds in the banks; and

- 3) Financial subsidies from the local authorities.

Article 4. The use of such insurance funds shall be arranged by the provinces, autonomous regions, and municipalities directly under the central government. The local authorities may grant financial subsidies to the funds should they become insufficient.

The Ministry of Labor and Personnel and the Ministry of Finance shall jointly formulate methods for preparing the budget, final accounts, and financial management of such insurance funds.

Article 5. Such insurance funds shall be withheld monthly by the bank with which an enterprise has opened an account, and shall be deposited by the same into the special account of "insurance funds for employees awaiting employment" opened by the municipal or county organization in charge of relief work for employees awaiting employment.

### Chapter Three. Use of Insurance Funds for Employees Awaiting Employment

Article 6. The expenditures of the insurance funds for employees awaiting employment are:

- 1) During the period of awaiting employment, the relief funds for employees of an enterprise which has declared bankruptcy, and employees who are dismissed during the period of legal consolidation of an enterprise which is on the brink of bankruptcy;
- 2) During the period of awaiting employment, the medical expenses, allowance for funeral expenses, pension and relief funds for dependents of employees of an enterprise which has declared bankruptcy, and employees who are dismissed during the period of legal consolidation of an enterprise which is on the brink of bankruptcy;
- 3) Retirement funds for employees who are eligible for retirement of an enterprise which has declared bankruptcy, and employees who are eligible for retirement and who are dismissed during the period of legal consolidation of an enterprise which is on the brink of bankruptcy;
- 4) During the period of awaiting employment, relief funds and the allowance for medical expenses for employees dismissed by an enterprise, and workers whose labor contracts expire or are terminated by such enterprise;
- 5) Expenses for training employees awaiting employment in the course of change of profession;
- 6) Expenses of employees awaiting employment who help themselves by engaging in production; and
- 7) Management fees in relation to employees awaiting employment and the insurance funds for employees awaiting employment.

Article 7. The relief funds, which are calculated based on the average of standard wages received by an employee within 2 years before his departure from an enterprise, will be paid in the following methods:

- 1) Any employee of an enterprise which has declared bankruptcy, or employee who is dismissed during the period of legal consolidation of an enterprise which is on the brink of bankruptcy, whose length of service in such enterprise is 5 years or more, may, after the declaration of bankruptcy or the declaration of a legal consolidation period for an enterprise which is on the brink of bankruptcy, receive at maximum 24 months of relief funds; that is, 60 to 75 percent of such employee's standard wages for the 1st to 12th months, and 50 percent for the 13th to 24th months. An employee mentioned above whose length of service in such enterprise is less than 5 years may receive at maximum 12 months of relief funds which are 50 to 75 percent of such employee's standard wages.
- 2) Workers after the expiry and termination of labor contracts with enterprises may receive the relief funds under the provisions of Paragraph 1) hereof after deducting the number of months in which living allowance is given.
- 3) Employees dismissed by an enterprise may receive the relief funds under the provisions of Paragraph 1) hereof.

Article 8. The calculation methods of retirement funds for retired employees of an enterprise which has declared bankruptcy, and employees who are eligible for retirement and who are dismissed during the period of legal consolidation of an enterprise which is on the brink of bankruptcy, are as follows:

- 1) In localities which have implemented overall social planning of retirement funds before the establishment of the social security system, the method of calculation shall be according to such overall plans; whereas localities which have not implemented such overall planning shall, for the time being, pay the funds according to the original standards under the provisions of the insurance funds for employees awaiting employment.
- 2) The retirement treatment of an employee who is 5 years younger or less than the legitimate retirement age and who, during the period of awaiting employment, is eligible for retirement shall be calculated under the provisions of Paragraph 1) hereof. No relief funds shall be provided for employees who are enjoying the retirement treatment.

Article 9. The provision of relief funds shall be terminated under the following circumstances:

- 1) The amount of relief funds payable exceeds the stipulated limits as provided for under Paragraph 1) of Article 7 hereof (in which case those who are eligible for social relief funds shall receive such funds according to relevant regulations);
- 2) An employee has found another employment (including physical labor);

3) An employee refuses twice without good reasons to accept employment introduced by relevant departments; and

4) An employee receives reeducation through labor or is sentenced to imprisonment during the period of awaiting employment.

Article 10. The relief funds which are received by anyone through the use of illegal means shall be recovered in full.

Article 11. Provided that the relief funds are used as provided for under Paragraphs 1), 2), 3) and 4) of Article 6 hereof, such funds may be used for training in relation to a change of professions and for the establishment of training facilities, for assisting the employees awaiting employment to help themselves by engaging in production, and for developing new employment opportunities.

#### Chapter Four. Management Organization

Article 12. The management of employees awaiting employment and the insurance funds for employees awaiting employment shall be the responsibility of labor service companies under the authorized local departments in charge of labor and administration. Their main functions are:

1) Responsible for the registration and the filing of records of employees awaiting employment, and for the work of organization management;

2) Responsible for the management and payment of insurance funds for employees awaiting employment;

3) Responsible for employment consultation and the introduction of employment to employees awaiting employment; and

4) Organization of training for employees awaiting employment in order to change their professions, support to such employees to help themselves by engaging in production, and assistance for such employees to seek new employment.

Article 13. Various labor service companies shall establish special organizations or equip themselves with specialists to manage the employees awaiting employment and the insurance funds for employees awaiting employment. The size of staff shall be the same as for an institution and be determined by people's governments of the provinces, autonomous regions, and municipalities directly under the central government according to the principle of streamlining. Expenses thus incurred may be reimbursed from the management fees of the insurance funds for employees awaiting employment.

#### Chapter Five. Supplementary Rules

Article 14. People's governments of the provinces, autonomous regions, and municipalities directly under the central government may formulate detailed

rules for implementation according to these regulations, and report the same to the Ministry of Labor and Personnel for the record.

Article 15. The Ministry of Labor and Personnel shall be responsible for the interpretation of these regulations.

Article 16. These regulations shall come into force on 1 October 1986.

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## OFFICIAL VIEWS OF ENFORCEMENT OF COMPULSORY EDUCATION LAW

Beijing STATE COUNCIL BULLETIN in Chinese No 26, 20 Oct 86 pp 767-775

[Views of the State Education Commission, the State Planning Commission, the Ministry of Finance and the Ministry of Labor and Personnel on Enforcement of the "Law on Compulsory Education" (26 June 1986)]

[Text] In order that various localities may enforce the "Law on Compulsory Education" and inspect, supervise, promote, and guide this work, the education authorities under the State Council will formulate detailed rules and regulations at an appropriate time. Before the promulgation of these detailed rules and regulations, we hereby put forth the following views on a number of questions regarding the enforcement of the "Law of Compulsory Education":

### I. Basic Requirements for Universalizing 9-Year Compulsory Education

1. In order that continuity in work may be maintained in the administration of compulsory education, currently the work of inspection for acceptance in universalizing primary education will continue to be performed according to previously stipulated requirements, such as the "four rates" (namely, admission rate, consolidation rate, graduation rate, and universalization rate). Those cities and counties (or areas) without districts under them, which have been found to be up to standard through inspection for acceptance, must continue to adopt effective measures over a certain time period to further step up the building of primary schools and consolidate and improve both the extent of universalization and the standard of education, so that the mission of universalizing compulsory primary education can be accomplished in terms of both quality and quantity. On this basis, they must universalize junior secondary education and ensure that primary school graduates can enter junior middle schools to complete the 9-year compulsory education course. The majority of young people in the 17 to 18 age bracket should attain the standard of completion of junior secondary education.

2. The following conditions should be satisfied in universalizing primary or junior secondary education:

a) Schools' funds, premises (including dormitories for boarders and premises for physical education and sports), teaching equipment, instruments, books, informational materials, and other means for running a school should be up to the standards and requirements stipulated by the relevant provinces, autonomous regions, or municipalities directly under the central government.

b) Primary and junior middle school teachers must be competent, or basically so, for educational and teaching work. Most of them should possess the requisite qualifications (primary school teachers should be intermediate normal school graduates or have higher qualifications, while junior middle school teachers should be graduates of teacher training college or have higher qualification), and the rest of them should possess certificates in the particular subjects they teach. The number of teachers should be adequate and the composition of specialties should be rational.

c) Educational ideology should be correct, guiding principles regarding education should be conscientiously enforced, and the reform of education and teaching should be enthusiastically carried out, so that a good foundation can be laid for the all-round development of students' character, intellectual ability, and physical standard.

## II. Do Different Things in Different Localities and Proceed Step by Step in Universalizing Compulsory Education

3. Attaining desired qualitative and quantitative standards in universalizing primary education is the basis for universalizing 9-year compulsory education. The following must be achieved in universalizing 9-year compulsory education: first, before we can successfully universalize primary education, we must not blindly go too far in universalizing junior secondary education; and second, in developing junior secondary education, we must make early arrangements to make available the means for running schools, particularly teachers. We must resolutely stop the practice of undermining and taking away the human, financial, and material resources of primary schools. Currently, there is a trend of reemergence of developing junior secondary education by "putting hats on" primary schools [creating junior secondary classes in existing primary schools]; measures should be adopted to halt this practice.

4. Measures for universalizing compulsory education and the extent of universalization should be compatible with local conditions. The country as a whole can be roughly divided into three categories of localities:

Localities of the first category are relatively well developed economically and culturally; they are required to make 9-year compulsory education basically universal by around 1990.

Localities of the second category attain an intermediate level of economic and cultural development; they are required to make compulsory primary education universal by around 1990 and to vigorously pave the way for making 9-year compulsory education universal by around 1995.

Localities of the third category are economically and culturally underdeveloped; they must strive to make compulsory primary education roughly universal by the end of this century as their economy develops.

Disparity in economic and cultural development occurs in every province, autonomous region, municipality directly under the central government, or even county. All categories of localities must continue to proceed from reality;

not only must different categories of localities be delineated in the light of the national requirement for universalizing compulsory education in a step-by-step way, but there can be a finer breakdown within a locality than on the nationwide scale. Those localities lacking the requisite conditions must pay attention to consolidating the current educational achievement, improving on it, and paving the way for further development.

### III. Length of Schooling Under the 9-Year Compulsory Education System

5. The 9-year compulsory education course will comprise two stages: primary education and junior secondary education. The latter includes general and vocational-technical education.

6. Currently, the length of schooling under China's 9-year compulsory education system can be of the "6-3" type with 6 years of primary education and 3 years of secondary education, or of the "5-4" type with 5 years of primary education and 4 years of junior secondary education, or of the unified 9-year course type. The system of 5-year primary education plus 3-year junior secondary education is a transitional one which will continue to exist for quite a few years. Therefore, we must not too hastily effect the transition from the 5-year to the 6-year primary education system.

7. The State Education Commission will be responsible for deciding on the basic length of schooling under China's 9-year compulsory education system, on the basis of scientific theorizing and experimentation.

### IV. Admission Age and Prescribed Duration of Schooling

8. Under compulsory education, the admission age will be 6 years. Currently, in localities where conditions are not yet ripe for enforcing this, the admission age may still remain at 7; and localities with particularly serious difficulties can even appropriately raise the admission age.

9. Any child incapable of learning will be exempted from schooling. A child may, because of illness or some other special reason, start schooling at a later age, provided that approval has been obtained from the local people's government. Specific measures related to the exemption from or postponement of schooling will be formulated by various provinces, autonomous regions, or municipalities directly under the central government.

10. The number of years of education prescribed by various provinces, autonomous regions, and municipalities directly under the central government will be the statutory duration of schooling which children and young people of school age must undergo. If a student satisfies the requirements for graduation, he will be awarded a graduation certificate, no matter whether he has gone through the full prescribed duration of schooling or not. If a student has gone through the prescribed number of years of compulsory education but fails to satisfy the requirements for graduation, he will be awarded a leaving certificate.

## V. Free Schooling and Implementation of Grant-in-Aid System

11. Education will be provided free in its compulsory stage.

12. In those minority nationality regions, poor regions, outlying districts, and so on, where miscellaneous fees are not collected from students, the existing rules will remain in force.

If conditions permit, a locality may waive the miscellaneous fees. If conditions do not permit this, a locality must furnish satisfactory explanation to parents; moreover, it should later waive the miscellaneous fees when local conditions permit this; besides, students from families with financial hardships can have their miscellaneous fees reduced or remitted.

A local people's government should disburse to the education department the total amount of miscellaneous fees remitted, and the latter must allocate the sum of money to various schools for their own uses without embezzlement or misappropriation. The total sums of miscellaneous fees remitted by middle and primary schools not run by education departments should be made good by the units that run them.

13. Regarding those localities and schools which charge miscellaneous fees, the criteria and measures governing fee collection will be formulated by the education departments of the relevant provinces, autonomous regions, or municipalities directly under the central government in conjunction with other relevant departments. Schools are, as a rule, not allowed to set their own criteria or wantonly charge any fees they like. All miscellaneous fees collected must be retained in the schools and spent mainly in connection with students' learning activities and daily life.

14. The state will implement a grant-in-aid system covering junior middle schools and some primary schools (mainly those in minority nationality regions experiencing hardships, other poor regions, and districts where boarding is necessary). The specific measures and criteria will be formulated by the relevant localities themselves.

## VI. The Establishment and Siting of Schools and Standards Governing the Running of Schools

15. The rational establishment and siting of schools must be achieved. Primary schools must be located where children and young people in the neighborhood can easily go to school. The views of rural people's governments on the establishment or closing down of village-run primary schools or simply equipped primary schools which are at a level below core rural primary schools must be submitted to county education bureaus for study and approval. Considering the establishment, closing down, integration, or relocation of core rural primary schools, urban primary schools, and junior middle schools, the education authorities in those cities or counties without any administrative districts under them must submit their views to the people's governments at the same level for study and approval. Procedures for studying and approving the establishment of middle and primary schools in cities with administrative districts under them must be formulated by the relevant provinces, autonomous regions, or municipalities directly under the central government.

16. There must be many different forms of schools. In the case of primary schools, aside from the provision of full-time primary schools offering full courses according to set teaching programs, village-run or simply equipped primary schools offering appropriately fewer subjects or reduced curricula and geared to appropriately modified educational requirements may also be set up in poor, remote, or sparsely populated localities. At the junior secondary level, aside from the provision of ordinary junior middle schools, there may also be junior middle vocational and technical schools. In the case of schools offering a unified 9-year course, their teachers' qualifications, school premises, equipment, and so on, should satisfy the separate standards required of primary schools and junior middle schools, and their primary sections and junior middle sections should be separately administered.

In the case of very sparsely populated localities like outlying districts and certain islands, views on the establishment of primary schools which will have enough qualified teachers and other resources must be submitted by the education authorities in those cities and counties without administrative districts under them to the people's government at the same level for approval; moreover, junior middle classes may also be created in these primary schools.

17. Collective economic organizations, state-run enterprises and institutions, and other social groups must be encouraged to set up primary schools and junior middle schools, although the state does provide these schools. The legal establishment of schools by individuals can currently be carried out on a trial basis in various localities. Regarding these schools, the additional supply and training of teachers teaching general knowledge subjects should, as a rule, be included in the local education authorities' plans for building contingents of teachers, and they should also be given help and guidance on matters of daily teaching work and supply of teaching equipment.

18. Various provinces, autonomous regions, and municipalities directly under the central government should, in the light of actual circumstances, draw up and gradually perfect quotas for budgeted expenses of urban and rural primary and junior middle schools and also norms governing their teaching staff establishments, school premises, and teaching equipment. Conditions should also be vigorously created for the gradual enforcement of these quotas and norms.

Competent institutes of higher learning should enthusiastically and on their own initiative take up the mission of training teachers for primary and middle schools, and tap their own potentials to this end. Scientific research units, party, administrative, and army organs, and various quarters in society should be encouraged to have concern for and give support to the building of middle and primary schools; however, they must not on account of this impose certain demands on the relevant schools, such as assigning priority for admission to their staffers' children, and so on.

19. The people's governments at various levels should adopt measures to intensify the work of printing, publishing, and distributing primary school textbooks. The quality of printing of textbooks must be improved; an adequate supply of textbooks, stationery, and paper needed for administering compulsory education must be ensured, and textbooks must certainly be delivered to students before a new school year starts.

## VII. Educational Funds and Capital Construction

20. The central and local people's governments must adopt effective measures to raise funds for compulsory education. They must ensure that fiscal appropriations for compulsory education must grow faster than regular fiscal revenue, and must bring about a gradual growth in the average educational expenses per school student. A certain proportion of local financial resources for miscellaneous uses should also be used for compulsory education undertakings. The financial receipts of rural authorities should mainly be used for compulsory education. Considering central government appropriations, such as funds for aiding economically underdeveloped regions, subsidies for construction work in border regions, subsidies to minority nationalities, and so on, the local authorities concerned should earmark part of the money for pursuing compulsory education in their localities.

Localities should assign priority to considering using additional educational funds acquired by them for the administration of compulsory education. During the Seventh 5-Year Plan, the capital construction investment funds and operational funds granted by the central government to those localities experiencing economic hardships for aiding their universalization of primary education must continue to be used for the originally stipulated purposes.

Budgeted educational operation expenses must be annually checked and approved by the financial departments and the approved sums allotted to educational administrative departments for centralized handling and use. The latter must satisfactorily manage and use the funds and must not misappropriate them for other uses. Financial departments at various levels should, within the limits permitted by fiscal revenue, try their best to take the characteristics of education into consideration and promptly make appropriations to ensure meeting the needs of educational undertakings. Supervision and inspection must be stepped up in implementation.

21. The people's governments of various provinces, municipalities (and areas), counties, and townships must raise educational operation funds in a centralized way and also ensure their availability, taking as reference the number of school students receiving compulsory education, norms for various categories of expenditures, and provisions governing other special categories of expenditures. Levying charges on schools by various quarters of society must be subject to strict control, and holding schools liable for arbitrarily apportioned expenses must be strictly prohibited.

Educational operation expenditure surcharges levied in urban and rural areas by various localities according to relevant provisions must mainly be used for compulsory education. In the countryside, educational operation expenditure surcharges will be collected by the rural people's governments. Various quarters of society and individuals should be encouraged to donate money to aid the running of schools according to the principle of voluntary action and acting according to one's capability.

Part-work and part-study activities must be vigorously launched. Economic results, resources for the running of schools, and collective welfare for teachers and students must be improved.

22. Capital construction investment must be financed by integrating local authorities' appropriations with donations from the masses. The central government must also appropriately aid those localities facing economic difficulties.

In towns and cities, compulsory education facilities should be included in urban construction plans and brought into line with local plans for administering compulsory education. In building, extending, or rebuilding the premises of state-run middle schools, primary schools, and teacher training schools and institutes of all categories and at all levels, the investment funds needed must be included in the competent departments' capital construction investment plans in accordance with the relations of subordination governing the relevant schools, and must be made available in this way. In the case of middle and primary schools run by various social circles, the capital construction funds needed must be raised by the relevant units which run them.

In the case of those middle schools, primary schools, and teacher-training schools and institutes of all categories and at all levels, whose construction is arranged for by various localities and units through the use of local financial resources earmarked for miscellaneous uses or through the use of unbudgeted funds, the building of school premises is not included in the realm of controlled capital construction investment.

Investment funds needed to build the premises of rural middle and primary schools should be raised mainly by the rural areas or villages themselves. The local people's governments concerned should provide aid according to their specific circumstances if there are economic difficulties. Rural market towns' construction plans should also include compulsory education facilities, and the funds needed should be raised by the governments of the relevant rural areas or towns.

#### VIII. Teachers

23. We must mobilize the resources of various quarters and adopt various effective measures to build, over a span of 15 years or more, a qualitatively adequate contingent of teachers who will comprise a rational mix of specialists in different subjects and who will possess both personal integrity and professional ability.

24. Both the central government and local authorities should set aside special funds to develop and strengthen teacher training as a top priority. The potentials of various categories of institutes of higher learning should be fully developed so that there will be an adequate supply of qualified teachers needed for the implementation of compulsory education.

Various provinces, autonomous regions, and municipalities directly under the central government must, in the light of their local needs in the administration of compulsory education, formulate teacher-training plans and adopt effective measures for ensuring the fulfillment of the plans. Graduates of teacher-training schools and institutes will be centrally assigned jobs in schools by educational administration departments which will also guarantee that they will work in the educational field. No unit may transfer a middle or primary school teacher to other occupations without an educational administration department's approval.

Quotas corresponding to natural decreases in the numbers of teachers in various localities should in principle be filled by recruiting new teachers or recruiting qualified teachers from units run by local people through inviting applications for the jobs.

25. We must strive to achieve, in 5 years or a somewhat longer time, success in making the overwhelming majority of those teachers who currently lack requisite qualifications or are incompetent for educational and teaching work become, through various categories of training, competent for educational and teaching work, and become holders of certificates or qualifications in the subjects they teach. The training of primary school teachers and junior middle school teachers will be centrally planned and organized by county and municipal (or area) authorities respectively.

According to the requirement for "conscientiously doing a good job in running schools and institutes for the advanced training of teachers," which is stipulated in the "Decision of the CPC Central Committee on the Reform of the Education System," we must conscientiously and satisfactorily run colleges of education at the municipal (or area) level and schools for the advanced training of teachers at the county level (or create training departments in teacher training schools and institutes). The securing of funds needed to run these schools, the undertaking of relevant capital construction, the recruitment of new teaching staff, and the training of teaching staff must be effected in accordance with the local norms applicable to normal technical schools and intermediate normal schools.

26. A system for assessing teacher proficiency must be instituted. Those middle and primary school teachers who do not possess qualifications stipulated by the state and who are incompetent for teaching work should be organized to receive in-service training and should be examined. Education authorities in various provinces, autonomous regions, and municipalities directly under the central government should formulate specific criteria and methods for assessing proficiency according to relevant provisions of the state. Those who pass the proficiency assessment will be awarded certificates. We must strive to ensure that only those who possess the requisite qualifications or certificates in the subjects they teach can work as teachers.

27. We must adopt effective measures to improve teachers' social status and material remunerations. We must further launch activities to promote respect for teachers and teaching work. We must vigorously do solid work in the interest of teachers.

Teachers must vigorously raise their own ideological standard, improve their own professional quality, strive to impart book knowledge and also bring about the development of students as persons, and set good examples, as teachers should.

The problems of medical services for middle school and primary school teachers must be earnestly solved. According to the gist of the document "Circular on Further Strengthening the Management of Medical Services Paid for by Using Public Money," (Wei-ji-zi [5898 6060 1316] (1984) No 85) issued by the Ministry of Public Health and the Ministry of Finance, in seeing doctors, undergoing hospitalization, undergoing transfer to other hospitals, and applying for reimbursement of expenses, teachers of publicly run middle and primary schools are entitled to the same treatment as cadres of party or administrative organs or cadres of other institutions in the same locality.

Remuneration for teachers of schools run by local people must be improved in accordance with the gist of relevant provisions in the "Circular of the State Council on Raising Funds for Running Rural Schools" (Guo-fa [0948 4099] (1984) No 174). Various localities should gradually set up welfare funds for teachers of schools run by the local people, so as to solve the problems of welfare benefits for these teachers, medical and health services for them, and their livelihood after retirement.

28. Systems of reward must be instituted. Teachers who achieve outstanding success in the universalization of compulsory education should be awarded honorable titles by the state; the specific measures have to be separately drawn up. Various provinces, autonomous regions, and municipalities directly under the central government may institute appropriate systems of reward and formulate their own specific measures separately.

#### IX. Management System

29. The central government should mainly be responsible for formulating the relevant guiding principles, policies, and decrees, formulating the basic educational system and teaching programs and syllabuses for providing guidance, organizing the compiling, examination, and approval of teaching materials, and providing support to localities whose economic, cultural, and educational foundations are rather weak in their enforcement of compulsory education.

30. Various localities must practice the multilevel management system. Powers over operation development planning, appointment and removal of schoolmasters and principals, teacher management, providing guidance over professional educational work, and so on, should generally be centrally exercised by education departments at the county level or above. In exercising multilevel management, the delimitation of the duties and responsibilities of provincial, municipal (or area), county, and township authorities should be decided by the provinces, autonomous regions, and municipalities directly under the central government.

## X. Compulsory Education for Handicapped Children

31. In administering compulsory education, the people's governments at various levels should pay attention to compulsory education for handicapped children who are blind, deaf mutes, or mentally handicapped, and tackle the problem of schooling for handicapped children in a planned and step-by-step way. They must proceed from reality in formulating plans for developing special education and implement the plans step by step. Specific measures for implementation should be formulated by various provinces, autonomous regions, and municipalities directly under the central government themselves.

32. The admission age may be appropriately relaxed in the case of blind, deaf mute, or mentally handicapped children. Various localities may make their own decisions in the light of the different conditions of urban and rural areas.

Educational requirements should vary according to the characteristics of blind, deaf mute, and mentally handicapped children; different cases require different treatments. Specific educational requirements must be determined by the educational authorities of the provinces, autonomous regions, and municipalities directly under the central government in accordance with relevant provisions of the state.

There must be different and flexible forms of schooling. Aside from the providing of special-education schools, special classes may also be created in ordinary primary or junior middle schools. Those children whose disabilities do not affect normal learning should be assigned places in ordinary middle or primary schools.

33. Various localities should adopt practicable measures to step up the building of the contingent of special-education teachers. All provinces, autonomous regions, and municipalities directly under the central government which have the requisite resources should set up special-education teacher-training schools, or create special-education teacher-training classes in normal schools and institutes, to train teachers needed to implement special education.

## XI. Work Assessment and Supervision

34. The basic-education (advisory) inspectorate system must be gradually instituted.

The state and local authorities must gradually set up basic-education (advisory) inspectorate offices charged with the overall inspection, supervision, and guiding of the nationwide or local implementation of compulsory education, and the handling of matters related to compulsory education in cooperation with local people's governments.

35. Systems of work assessment, reward, and punishment must be instituted.

The people's governments at various levels will be responsible for enforcing compulsory education.

The people's governments at various levels should regularly present reports on the administration of compulsory education to the people's governments at higher levels, the people's congresses at the same levels, or the Standing Committees of these people's congresses; they must also be subjected to inspection and supervision.

The people's governments at various levels must take the performance of work in connection with administering compulsory education as a major criterion for assessing the relevant cadres' achievement in performing official duties. People's governments above the county level must institute assessment systems and commend and give awards to those counties (or areas) or townships (or towns) which achieve marked success in administering compulsory education. In the case of those localities which are slack in administering compulsory education, the relevant persons in charge must be investigated for affixing responsibility.

Education authorities at various levels will also be responsible for assessing the implementation of compulsory education by schools in their own localities. Cases of achievement of marked success should be reported to the people's governments at the same levels for commendation and the granting of awards; serious cases of dereliction of duty must be solemnly dealt with.

The people's governments at all levels should also commend or grant awards to, in accordance with their own administrative jurisdiction, those social groups, factories, mines, enterprises, institutions, collective economic organizations, or individuals that make contributions to the implementation of compulsory education.

## XII. Responsibility for Relevant Offenses Against the Law

36. If a child or young person of school age unjustifiably and without authorization refrains from entering a school to receive compulsory education, the local people's government (the people's government of the relevant area or some government body acting on its behalf in the case of a city, or the people's government of the town or township in the case of a rural locality) should criticize his parents or other guardians, teach them what is right and wrong, and take effective measures to make them send the child to school.

37. Organizations or individuals that recruit children or young persons of school age to perform industrial or commercial work, serve as apprentices, or do any other kind of work must be criticized and taught what is right and wrong by the local people's governments in conjunction with the authorized departments and ordered to stop employing them; if an offense is serious, penalties may be imposed and the individual or organization breaking the law may be ordered to suspend operation or may have its business license revoked. Those who are directly responsible for organizing the illegal recruitment of children or young persons who should receive compulsory education will be

given disciplinary sanctions according to actual circumstances. Fines collected should be used locally for satisfying the need of administering compulsory education and must not be misappropriated for other uses. The maximum fines and measures for fining will be stipulated by the people's governments of various provinces, autonomous regions, and municipalities directly under the central government.

38. If a school's premises or part thereof are rented, sold, or diverted to other noneducational uses, the local educational authorities will investigate those in charge of the school or other relevant persons for affixing responsibility. Those who are to blame will be criticized and taught what is right and wrong, or subjected to disciplinary sanctions, depending on the degree of seriousness of the offense. The relevant premises will be taken back and the illegal income expropriated.

39. In a case where educational funds are embezzled or misappropriated, the competent department will impose disciplinary sanctions against those directly responsible for the offense and recover the money. If the case is serious enough to constitute a criminal offense, the responsibility for the crime will be investigated and affixed according to law.

40. In those cases where class discipline is disrupted, teachers are insulted or beaten up, or students are given corporal punishment, the wrongdoers will be criticized and taught what is right and wrong, or subjected to disciplinary sanctions, depending on the degree of seriousness of the case. If an offense is against public order, it will be handled by a public security organ according to the "Regulations of the PRC on Punishment in Connection With the Administration of Public Order." If the case is serious enough to constitute a crime, the responsibility for the crime will be investigated and affixed according to law.

Those who wrongly occupy or damage school premises, buildings, or equipment must be held responsible according to relevant provisions and general rules of civil law. If the case is serious enough to constitute a crime, responsibility for the crime will be investigated and affixed.

/8309  
CSO: 4005/566

## BETTER MANAGEMENT OF CENTRALLY DISTRIBUTED MATERIALS URGED

Beijing STATE COUNCIL BULLETIN in Chinese No 26, 20 Oct 86 pp 775-777

[Views of the State Economic Commission, the State Planning Commission, and the State Bureau of Materials and Equipment on Stepping Up the Management of Centrally Distributed Materials (Summary) (2 August 1986)]

(Guo-ban-fa [0948 6586 4099] (1986) No 66)

[Text] Over the past several years, state plans regarding the distribution and allocation of centrally distributed materials and contracts regarding orders for goods have not been satisfactorily fulfilled.

The main reasons why state plans regarding the allocation of centrally distributed materials and contracts regarding orders for goods have not been satisfactorily fulfilled are: some enterprises do not fully understand the serious nature of state plans; the state lacks effective measures for supervising the fulfillment of directive plans, and discipline is lax; and some enterprises are not adequately provided with the resources needed for production, such as materials, raw materials, electricity, transport facilities, and so on.

The "Decision of the CPC Central Committee on the Reform of the Economic System" states: "Mandatory plans must be genuinely carried out." Currently, this is an important way of ensuring success in the state's construction of key production facilities and stabilizing the overall economic situation. The measures stated below will serve to enable state plans to be treated with greater seriousness, reinforce the management of centrally distributed materials; and safeguard the serious nature of state plans:

1. All localities, departments, and enterprises must rigorously implement state plans regarding the allocation of centrally distributed materials, and teach the vast numbers of cadres and staffers to build the mentality of caring about the overall situation and to consider fulfilling state plans as their noble duty and primary task.

2. All enterprises assigned tasks by the state in connection with the distribution and allocation of centrally distributed materials must accept strictly according to plans, organize production according to requisite varieties and specifications, and completely fulfill contracts for supplying goods. Enterprises can sell their products (other than those subjected to special restriction by the state) on their own only under the precondition that they can surely fulfill the state's allocation plans in regard to quality, quantity, and time. If an enterprise has not fulfilled contracts for the supply of goods according to plans but sells products on its own without authorization, the relevant industrial and commercial management department will expropriate all receipts arising from this unauthorized sale and deliver the receipts to the state's financial authorities.

3. In formulating plans for production, the state must satisfactorily achieve comprehensive equilibrium, leaving some appropriate room for the enterprises, particularly large and medium-sized enterprises, to surpass the planned output. Various relevant responsible departments and local authorities must, in accordance with plans assigned by the state, guarantee the availability of the resources needed to fulfill mandatory plans for production, such as major materials and raw materials, fuels, electricity, and so on. The enterprises must try all means to fulfill the state's directive plans. If they encounter major difficulties, various relevant responsible departments and local authorities must conscientiously provide coordination and help solve the problems; and if the problems really cannot be solved, the case must be immediately reported to the State Planning Commission and the State Economic Commission.

4. If an enterprise lacks fuels or major materials or raw materials and must, therefore, purchase them at negotiated prices so as to fulfill the state's allocation plans, the extra expenses will be handled according to Article 10 of the "Interim Provisions Regarding Certain Questions About Strengthening the Vigor of Large and Medium-Sized State-Run Industrial Enterprises" formulated by the State Economic Commission and the State Commission for Restructuring Economic System and approved in 1985 by the State Council.

5. Before placing orders for goods, the State Pricing Administration Bureau, the State Bureau of Materials and Equipment, and the departments responsible for production must, in the light of conditions of demand and supply, set floating prices on a few products under the precondition that the general level of prices of goods and materials will remain unchanged.

6. The transport and communications departments must conscientiously guarantee the accomplishment of transportation of those goods and materials allocated according to the state's mandatory plans. They are not permitted to carry out the transportation of those goods and materials outside the realm of planning at the expense of the transportation of those within it.

7. Fulfilling state plans regarding the allocation of centrally distributed materials and contracts regarding the supply of goods in regard to quality, quantity, and time must be taken as an important indicator in assessing whether an enterprise can perfectly fulfill planned targets, and must be linked to the enterprise's withdrawal of money from reward funds.
8. Supervision and inspection must be stepped up and economic discipline must be reinforced. The State Economic Commission, the State Planning Commission, and the relevant departments must conscientiously supervise and inspect the enterprises' fulfillment of contracts and state plans regarding the allocation of centrally distributed materials. The State Bureau of Materials and Equipment must issue quarterly bulletins on the enterprises' fulfillment of state plans regarding the allocation of centrally distributed materials and contracts regarding the supply of goods. Those enterprises, departments, and localities which satisfactorily fulfill allocation plans must be commended and rewarded. In the case of the unjustified nonfulfillment of the state's allocation plans, the leading personnel of the relevant enterprises and departments in charge must be investigated for affixing responsibility; withholding the payment of bonuses, making deductions from wages, or imposing disciplinary sanctions must be effected in the light of the seriousness of the case, and the shortfall in goods or materials delivered must be made good within a set time limit.

Please approve this report and circulate it to various localities and departments for implementation if there is nothing wrong with it.

/8309  
CSO: 4005/566

## PROVISIONAL RULES ON COLLECTIVE FOREST LUMBER MARKETS

Beijing STATE COUNCIL BULLETIN in Chinese No 26, 20 Oct 86 pp 780-781

[Provisional Regulations of the State Administration for Industry and Commerce and the Ministry of Forestry on the Management of Lumber Markets in Collective Forest Areas (19 August 1986)]

(Gong-shang [1562 0794] (1986) No 181)

[Text] In line with the spirit prescribed by the central government of adhering to the open supply of lumber by collective forest areas, and in order to invigorate and satisfactorily manage the lumber markets in collective forest areas, the following interim provisions have been drawn up:

1. The lumber markets in collective forest areas are put under the leadership and administration of industrial and commercial management organs. Departments in charge of forestry must assist in doing a good job of management. Various localities should establish permanent lumber markets according to the principle of making things convenient for the masses and facilitating better management.

State-run units which are under forestry departments and which deal in lumber must play an active part in regulation through the market mechanism and develop their role as the main channel for the circulation of lumber.

2. In order that resources in collective forestry areas may be conserved and order may be maintained in markets in collective forest areas, whereas state-run units which are under local forestry departments and which deal in lumber may directly purchase lumber from collective forest areas, other production units, business units, and individuals must carry out transactions in lumber only in lumber markets.

3. Those units or individually run industrial and commercial households which deal in lumber or semifinished lumber products (including transporting them for sale elsewhere) must submit an application stating the economic nature, scope of business, mode of operation, applicants' own capital, and so on; an application must have the agreement, signature, and comments of a forestry department at the county level or above, and must be referred to the industrial and commercial management authorities at the same level for approval, registration, and granting of a business license, before business can start. Unlicensed operation is prohibited.

4. Provided sale is authorized by a certificate issued by a department in charge of forestry, lumber from trees cut by a production unit or individual of a collective forest area may be freely sold on the lumber market, or may be delivered to a unit dealing in lumber which will act as a selling agent or purchase it at a negotiated price. Those localities, production units, or individuals undertaking contractual tasks in connection with the state's purchase of lumber can sell lumber on their own on the market under the precondition that their contractual tasks have been fulfilled.
5. The transportation of lumber out of a county or province must be approved by a department in charge of forestry above the county level, which grants authorization by issuing relevant transportation documents. Relevant departments in various localities must not arbitrarily obstruct or impose penalties on the legal transportation of lumber for sale elsewhere which is backed by completion of all requisite procedures.
6. Transactions conducted in lumber markets require that measurement of lumber be made by measurement personnel appointed by the lumber markets and in accordance with lumber-measuring standards stipulated by the state, and that measurement forms be produced for inspection.
7. Prices of lumber are to be determined through negotiation between buyers and sellers and are allowed to vary in line with market conditions within the limits permitted by state policy. Transactions in lumber require that taxes and fees be paid according to relevant provisions stipulated by the state.
8. Lumber purchased by units or individuals in collective forest areas who are not lumber dealers must be for the purchasers' own use and must not be resold for profitmaking.
9. Black market transactions must be resolutely banned. The marketing of lumber without certificates authorizing sale is strictly prohibited, as is any unit's or individual's purchase of lumber from trees cut without authorization certificates. Forging, altering, or buying or selling documents or certificates related to matters of lumber are prohibited.
10. Offenses against the provisions above will be handled in accordance with relevant provisions, by departments of industrial and commercial management, forestry, or revenue collection; in the case of a serious offense against criminal law, the responsibility for the crime will be investigated and determined by a judicial organ.

/8309  
CSO: 4005/566

PRESIDENTIAL APPOINTMENTS, REMOVALS NOTED

Beijing STATE COUNCIL BULLETIN in Chinese No 26, 20 Oct 86 p 782

[Appointments and Removals by the President of the PRC (1 and 28 August 1986)]

[Text] 1 August 1986

1. Appoint Gu Zhifang [7357 1807 2455] Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to Barbados and concurrently to Antigua, Barbuda, and Grenada. Remove Li Xie [2621 7327] from the post of Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to Barbados, Antigua, and Barbuda.

2. Appoint Yu Chengren [0205 2052 0088] Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the Republic of Nicaragua.

28 August 1986

1. Appoint Zhang Baosheng [1728 1405 3932] Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the People's Republic of Mozambique.

Remove Wang Hao [3769 3185] from the post of Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the People's Republic of Mozambique.

2. Appoint Fan Chengzuo [5400 2110 4373] Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the People's Socialist Republic of Albania.

Remove Xi Zhaoming [9352 3564 2494] from the post of Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to the People's Socialist Republic of Albania.

3. Appoint Sun Dagang [1327 1129 4854] Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to West Samoa.

Remove Gu Qi [7357 0069] from the post of Ambassador Extraordinary and Plenipotentiary of the People's Republic of China to West Samoa.

/8309

CSO: 4005/566

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